

**Ref: AB/2187**

The Board of Directors  
Kesoram Industries Limited  
9/1, R N Mukherjee Road  
Kolkata 700 001

**Independent Auditor's certificate on the proposed accounting treatment  
specified in the Draft Scheme of Arrangement**

1. This report is issued in accordance with the terms of our engagement letter dated November 29, 2018.
2. We, Deloitte Haskins and Sells, Chartered Accountants, (Firm Regn. No. 302009E), the Statutory Auditors of Kesoram Industries Limited ("the Company" or "the Demerged Company"), have examined the proposed accounting treatment in Clause 10.1 of Part II in the draft scheme of arrangement (hereinafter referred as the "Scheme") between the Company and Birla Tyres Limited (hereinafter refer to as Resulting Company") and their respective shareholders and creditors in terms of provisions of Section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles.

**Management's Responsibility**

3. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made there under and other generally accepted accounting principles in India as aforesaid, is that the Board of Directors of the Company involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

4. Our responsibility is only to examine and report whether the proposed accounting treatment referred to in Paragraph 10.1 of Part II of the Scheme referred to above comply with the applicable India Accounting Standards, and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.
5. We carried out our examination of the Scheme in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

**Opinion**

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the proposed accounting treatment for demerger of undertaking in the books of the Demerged Company contained in Paragraphs 10.1 of Part II of the draft Scheme, is not addressed by any of the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013.
8. For ease of references, Clause 10.1 of Part II of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure A of this Certificate and is initialed by us only for the purposes of identification.



**Restriction on Use**

9. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to BSE Limited and National Stock Exchange of India Limited. This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Kolkata, 12 December, 2018

For Deloitte Haskins & Sells  
Chartered Accountants  
(ICAI Registration No. 302009E)

A. Bhattacharya  
Partner  
Membership No. 054110



Annexure A

Certified true copy of the Clause 10.1 of Part II of the Scheme of Arrangement between Kesoram Industries Limited ("the Company" or "the Demerged Company"), and Birla Tyres Limited (the "Resulting Company") and their respective shareholders and creditors, in terms of provisions of Section 230 to 232 of the Companies Act, 2013 ("Draft Scheme")

**10.1 Accounting treatment in the books of the Demerged Company**

Upon the effectiveness of this Scheme, In accordance with the applicable accounting standards under the Act and generally accepted accounting principles in India:

- 10.1.1 The value of all assets and liabilities pertaining to the Demerged Undertaking which cease to be assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their carrying values; and
- 10.1.2 The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the transferred liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme shall be adjusted to the reserves of the Demerged Company.

For Kesoram Industries Limited

  
Gautam Ganguli

Company Secretary

Date:

